

BOARD OF BARBERING AND COSMETOLOGY

INITIAL STATEMENT OF REASONS

Subject Matter of Proposed Regulations: Dishonored Check Fee

Section(s) Affected: Section 999, California Code of Regulations.

Specific Purpose

Amend Section 999, California Code of Regulations

The specific purpose of this proposed regulatory action by the Board of Barbering and Cosmetology (hereinafter "Board") is to set the charge for the return of a personal check without payment to the Board from the current \$10 to the amount set by the California Department of Consumer Affairs, which is currently \$25.

Factual Basis/Rationale

The existing fee charged for submitting insufficient funds or fictitious checks, drafts or money orders on any bank or depository for payment of any fee to the Board is \$10. This fee is no longer sufficient to cover the cost of processing a dishonored check. The Department of Consumer Affairs recently increased the dishonored check processing fee to \$25. However, because the Board's dishonored check fee is in its regulations, the Board must amend its regulations in order to be consistent with the DCA processing fee, and to cover the actual administrative cost of processing the dishonored checks.

The State Administrative Manual (SAM) Section 8043.1 and Section 6157 of the Government Code authorizes the State to assess a charge for dishonored checks. The California Civil Code Section 1719 states in part, that "any person who passes a check on insufficient funds shall be liable to the payee for the amount of the check and a surcharge payable to the payee for an amount not to exceed \$25 for the first check passed on insufficient funds and an amount not to exceed \$35 for each subsequent check to that payee passed on insufficient funds".

This proposal would change existing \$10 fee charged by the Board to the amount set by the California Department of Consumer Affairs, which now stands at \$25.

Underlying Data

- Memorandum dated September 8, 2009 to all Department of Consumer Affairs cashiering staff.
- Memorandum dated October 20, 2009 to all Department of Consumer Affairs cashiering staff.

Business Impact

The Board has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Specific Technologies or Equipment

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

No reasonable alternative to the regulation would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.